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11 Attorneys for Official Committee of Unsecured Creditors

12 **UNITED STATES BANKRUPTCY COURT**
13 **DISTRICT OF NEVADA**

14 **In Re:**

15 **USA Commercial Mortgage Company**
16 **06-10725 – Lead Case**

17 **USA Capital Realty Advisors, LLC**
18 **06-10726**

19 **USA Capital Diversified Trust Deed Fund,**
20 **LLC**
21 **06-10728**

22 **USA Capital First Trust Deed Fund, LLC**
23 **06-10728**

24 **USA Securities, LLC**
25 **06-10729**

26 **Debtors.**

Jointly Administered

Chapter 11 Cases

Judge Linda B. Riegle Presiding

**DECLARATION OF EDWARD M.
BURR IN SUPPORT OF
APPLICATION PURSUANT TO FED.
R. BANKR. P. 2014(a) FOR ORDER
UNDER SECTION 1103 OF THE
BANKRUPTCY CODE
AUTORIZING THE EMPLOYMENT
AND RETENTION OF SIERRA
CONSULTING GROUP, LLC AS
FINANCIAL ADVISORS TO THE
OFFICIAL UNSECURED
CREDITORS' COMMITTEE FOR
USA COMMERCIAL MORTGAGE
COMPANY**

Date: N/A

Time: N/A

Affecting:

.. All Cases

or Only:

- × USA Commercial Mortgage Company
- .. USA Capital Realty Advisors, LLC
- .. USA Capital Diversified Trust Deed Fund, LLC
- .. USA Capital First Trust Deed Fund, LLC

1 I, Edward M. Burr, hereby declare under penalty of perjury that:

2 1. I am a principal with Sierra Consulting Group, LLC ("Sierra"). Sierra is one
3 of the leading providers of restructuring advisory and litigation support services in the
4 Southwest. Sierra is a leading national consulting firm comprised of experienced CPAs
5 and other financial professionals. I submit this declaration on behalf of Sierra (the
6 "Declaration") in support of the Application (the "Application") of the Official Unsecured
7 Creditors' Committee for USA Commercial Mortgage Company (the "Committee") for an
8 order authorizing the employment and retention of Sierra as financial advisors under the
9 terms and conditions set forth in the Application. Except as otherwise noted, I have
10 personal knowledge of the matters set forth herein.

11 2. The Committee has retained the services of Sierra. It is contemplated that
12 Sierra will render the following consulting and advisory services as financial advisors:

- 13 • Perform historic financial analyses and review of the USACM books and
14 records;
- 15 • Assist in analyzing the loans, assets and other liabilities of USACM;
- 16 • Develop recommendations on loans that may require additional funding or
disposition;
- 17 • Assist the Debtor and the Committee in identifying sources of capital if
necessary;
- 18 • Assist the Committee and counsel in developing positions and strategies
with respect to various facets of these proceedings;
- 19 • Work with the Debtors' financial advisor and counsel in developing a plan
of reorganization and perform feasibility, liquidation and other analyses
as may be required;
- 20 • Prepare interim reporting packages to be distributed to Committee members
and any other interested creditor of USACM;
- 21 • Assist in determining the liabilities of USACM as of the filing;
- 22 • Perform financial review of the proceeds that were distributed to the various
parties and assist in the development of a strategy to recoup those
proceeds;

1 • Assist in identifying and pursuing any other assets and potential causes of
2 action that the Committee may seek to recover; and
3 • Perform any other services that the Committee and Sierra mutually agree
4 upon.

5 3. In connection with the preparation of this Declaration, Sierra conducted a
6 review of its contacts with the five chapter 11 Debtors, their affiliates and certain entities
7 holding large claims against or interests in the Debtors that were made reasonably known
8 to Sierra. A listing of the parties reviewed is reflected on Exhibit 1 to this Affidavit.
9 Sierra's review, completed under my supervision, consisted of a query of the Exhibit 1
10 parties within an internal computer database containing names of individuals and entities
11 that are present or recent former clients of Sierra. A summary of such relationships that
12 Sierra identified during this process is set forth on Exhibit 2 to this Affidavit.

13 4. Based on the results of its review, Sierra does not have a relationship with
14 any of the parties on Exhibit 1 in matters related to these proceedings. Sierra has provided
15 and could reasonably expect to continue to provide services unrelated to the Debtors'
16 cases for the various entities shown on Exhibit 2. Sierra's assistance to these parties has
17 been related to providing various financial restructuring, litigation support and/or
18 consulting services. To the best of my knowledge, no services have been provided to
19 these parties in interest, which are adverse to the rights or interests of the Committee, nor
20 does Sierra's involvement in these cases compromise its ability to continue such
21 consulting services.

22 5. Further, as part of its diverse practice, Sierra appears in numerous cases,
23 proceedings and transactions that involve many different professionals, including
24 attorneys, accountants and financial consultants, who may represent claimants and parties-
25 in-interest in the Debtors' cases. Also, Sierra has performed in the past, and may perform
26 in the future, advisory consulting services for various attorneys and law firms, and has
27 been represented by several attorneys, law firms and financial institutions, some of whom



1 may be involved in these proceedings. In addition, Sierra has in the past, may currently
2 and will likely in the future be working with or against other professionals involved in
3 these cases in matters unrelated to the Debtors and these cases. Based on our current
4 knowledge of the professionals involved, and to the best of my knowledge, none of these
5 relationships create interest materially adverse to the Committee herein in matters upon
6 which Sierra is to be employed, and none are in connection with these cases.

7 6. Sierra is not believed to be a "Creditor" with respect to fees and expenses of
8 any of the Debtors within the meaning of § 101(10) of the Bankruptcy Code. Further,
9 neither I nor any other member of the Sierra engagement team serving this Committee, to
10 the best of my knowledge, is a holder of any outstanding debt instruments or shares of the
11 Debtors' stock.

12 7. As such, to the best of my knowledge, Sierra does not represent any other
13 entity having an interest adverse to the Committee in connection with this case, and
14 therefore believes it is eligible to represent the Committee under § 1103(b) of the
15 Bankruptcy Code.

16 8. It is Sierra's policy and intent to update and expand its ongoing relationship
17 search for additional parties in interest in an expedient manner. If any new material
18 relevant facts or relationships are discovered or arise, Sierra will promptly file a
19 Bankruptcy Rule 2014(a) Supplemental Affidavit.

20 9. Subject to Court approval and in accordance with the applicable provisions
21 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), the Federal
22 Rules of Bankruptcy Procedures, applicable U.S. Trustee guidelines and the local rules of
23 this District, Sierra will seek payment for compensation on an hourly basis, plus
24 reimbursement of actual and necessary expenses incurred by Sierra. Sierra's customary
25 hourly rates as charged in bankruptcy and non-bankruptcy matters of this type by the
26 professionals assigned to this engagement are outlined in the Application. These hourly

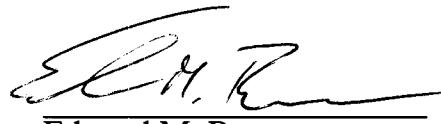
1 rates are adjusted annually. Sierra acknowledges that the approval of the Application does
2 not indicate Court approval of such rates.

3 10. According to Sierra's books and records, during the ninety-day period prior
4 to the Debtors' petition date, Sierra performed no professional services or incurred any
5 reimbursable expenses on behalf of the Debtors.

6 11. To the best of my knowledge, (a) no commitments have been made or
7 received by Sierra with respect to compensation or payment in connection with these cases
8 other than in accordance with the provisions of the Bankruptcy Code, and (b) Sierra has no
9 agreement with any other entity to share with such entity any compensation received by
10 Sierra in connection with these chapter 11 cases.

11 I declare under penalty of perjury that the foregoing is true and correct to the best of
12 my knowledge, information and belief.

13 DATED this 17 day of July 2006

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15 Edward M. Burr

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